

AMENDED IN SENATE AUGUST 10, 2010

AMENDED IN ASSEMBLY MAY 12, 2010

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

## ASSEMBLY BILL

**No. 2720**

**Introduced by Assembly Members John A. Pérez and Bass**

*(Principal coauthor: Senator Alquist)*

**(Coauthors: Assembly Members Galgiani and Hall)**

February 19, 2010

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An act to ~~amend Section 104601~~ add Article 3 (commencing with Section 104660) to Chapter 2 of Part 3 of Division 103 of the Health and Safety Code, relating to public health.

### LEGISLATIVE COUNSEL'S DIGEST

AB 2720, as amended, John A. Pérez. Public health: food access.

Existing law requires the Department of Food and Agriculture, headed by the Secretary of Food and Agriculture, to promote and protect the agricultural industry of the state.

Existing law, until January 1, 2011, requires the State Department of Public Health to develop a "Healthy Food Purchase" pilot program to increase the sale and purchase of fresh fruits and vegetables in low-income communities, as specified.

This bill would *create the California Healthy Food Financing Initiative*. It would require, by July 1, 2011, the Department of Food and Agriculture, in consultation with the State Department of Public Health and the State Department of Social Services, to ~~provide~~ *prepare* recommendations, *to be presented upon request* to the Legislature, regarding actions that need to be taken to promote food access in the state. It would also require the Department of Food and Agriculture to

coordinate efforts to *implement the initiative and* maximize the funding opportunities provided by the federal 2010 Healthy Food Financing Initiative.

~~This bill would revise and recast the “Healthy Food Purchase” pilot program to require the State Department of Public Health to utilize the maximum amount of federal funds available to further the purposes of the program. It would authorize the department to award grants and provide in-kind support to nonprofit corporations to encourage the sale and consumption of fresh fruits and vegetables, as specified. It would extend to January 1, 2015, the repeal date of the program.~~

*The bill would create the California Healthy Foods Financing Initiative Fund in the State Treasury, to be comprised of federal, state, and private funds for the purpose of expanding access to healthy foods in underserved communities and, to the extent practicable, to leverage other funding, as specified. Moneys in the fund shall be expended upon appropriation by the Legislature.*

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. The Legislature hereby finds and declares all of
- 2 the following:
- 3 (a) California has some of the most productive farmlands in the
- 4 world. California’s farmlands produce more than 350 commodities
- 5 and food items. These farmlands require protection and efficient
- 6 operations to maintain our food supply and guarantee a natural
- 7 resource for California’s future generations.
- 8 (b) California’s cultural heritage provides the basis for a variety
- 9 of food items that are available to the state’s 36 million residents.
- 10 (c) The production and preparation of food needs to be
- 11 conducted in a healthy and humane manner.
- 12 (d) Access to ~~health~~ *healthy* food items is a basic human right.
- 13 Lack of access to healthy, affordable food items; may result in
- 14 higher levels of obesity and other diet-related diseases.
- 15 Communities without access to affordable, quality, and nutritious
- 16 foods are known as food deserts.
- 17 (e) Opportunities for increasing the number of grocery stores,
- 18 urban *and rural* farm stands, farmers’ markets, *community gardens*,
- 19 *direct farm to institution*, and direct farmer to consumer marketing

1 activities in underserved communities should be actively pursued  
2 and fostered to ensure that all Californians have access to healthy  
3 foods.

4 ~~SEC. 2. (a) By July 1, 2011, the Department of Food and~~  
5 ~~Agriculture, in consultation with the State Department of Public~~  
6 ~~Health and the State Department of Social Services, shall provide~~  
7 ~~recommendations to the Legislature regarding actions that need~~  
8 ~~to be taken to promote food access in the state.~~

9 ~~(b) The Department of Food and Agriculture, in consultation~~  
10 ~~with the State Department of Public Health and the State~~  
11 ~~Department of Social Services, shall coordinate efforts to maximize~~  
12 ~~the funding opportunities provided by the federal 2010 Healthy~~  
13 ~~Food Financing Initiative. This national initiative is intended to~~  
14 ~~expand access to nutritious foods in underserved urban and rural~~  
15 ~~communities and eliminate food deserts across the country within~~  
16 ~~seven years.~~

17 ~~SEC. 3. Section 104601 of the Health and Safety Code is~~  
18 ~~amended to read:~~

19 ~~104601. (a) The department, in consultation with the~~  
20 ~~Department of Food and Agriculture, shall develop a “Healthy~~  
21 ~~Food Purchase” pilot program to increase the sale and purchase~~  
22 ~~of fresh fruits and vegetables in low-income communities.~~

23 ~~(b) The department, in consultation with the Department of~~  
24 ~~Food and Agriculture, shall design the program to include the~~  
25 ~~following two components:~~

26 ~~(1) Strategies aimed at small grocers in targeted low-income~~  
27 ~~neighborhoods to increase the offerings of fresh fruits and~~  
28 ~~vegetables in those communities. In selected pilot program~~  
29 ~~communities, the department shall provide targeted food retailers~~  
30 ~~with support or assistance to obtain refrigerated produce display~~  
31 ~~eases through the assessment of the feasibility of a variety of~~  
32 ~~financing methods, including, but not limited to, leasing, lending,~~  
33 ~~small business and economic development support, and other~~  
34 ~~time-limited strategies. The department shall also provide technical~~  
35 ~~assistance to targeted retailers on the purchase, storage, marketing,~~  
36 ~~and display of fresh produce. The department shall use available~~  
37 ~~federal funds for this technical assistance, where appropriate.~~

38 ~~(2) Strategies aimed at food stamp recipients to increase their~~  
39 ~~purchase of fresh fruits and vegetables by making those products~~  
40 ~~more affordable, including the development and implementation~~

1 of financial incentives. The department, in consultation with the  
2 State Department of Social Services, shall seek any necessary  
3 federal government approvals to allow use of the Food Stamp  
4 Electronic Benefits Card, as provided in Chapter 3 (commencing  
5 with Section 10065) of Part 1 of Division 9 of the Welfare and  
6 Institutions Code, to provide those incentives, and to implement  
7 the pilot program.

8 (e) The department may award grants and provide in-kind  
9 support to nonprofit corporations that the department deems eligible  
10 to encourage the sale and consumption of fresh fruits and  
11 vegetables pursuant to the program. The award of these grants  
12 shall be exempt from the State Contract Act (Part 2 (commencing  
13 Section 10100) of Division 2 of the Public Contract Code).

14 (d) In developing the pilot program, the department shall design  
15 the program to utilize the maximum amount of federal funds  
16 available to further the purposes of the program, including federal  
17 funds made available pursuant to the federal Food, Conservation,  
18 and Energy Act of 2008 (Public Law 110-234, Section 4141).

19 (e) The department shall seek all necessary approvals to establish  
20 the pilot program, and shall apply for available federal matching  
21 funds to support the work of the pilot program.

22 (f) The department shall develop, in consultation with the United  
23 States Department of Agriculture's Economic Research Service,  
24 a process for evaluating the effectiveness of the pilot program.  
25 The evaluation shall examine the impact of the various strategies  
26 employed in the pilot program on the purchase of fresh produce  
27 and on any increase in retailer space devoted to the sale of fresh  
28 fruits and vegetables, and the effect this has on retailer profitability.  
29 The evaluation also shall test alternatives to the reliance on uniform  
30 product codes for identification of fresh produce deemed eligible  
31 for financial incentives. To the extent permitted by federal law  
32 and any conditions imposed upon private funding for the program,  
33 the evaluation shall assess the effectiveness of combining the  
34 strategies to increase offerings of fresh fruits and vegetables  
35 described in paragraph (10) of subdivision (b) with the strategies  
36 for increasing affordability of fresh fruits and vegetables in  
37 paragraph (2) of that subdivision.

38 (g) The department may, on or after July 1, 2009, implement  
39 this article to the extent that the Department of Finance determines  
40 that there are sufficient funds available for that purpose from any

1 source, including state funds, federal funds, excluding federal  
2 block grant funds awarded to California pursuant to the Specialty  
3 Crops Competitiveness Act of 2004 (Public Law 108-465), and  
4 future awards of block grant funds intended to improve the  
5 competitiveness of the specialty crop industry, or funds from grants  
6 or private donations.

7 (h) ~~Notwithstanding any other provision of law, no General~~  
8 ~~Fund moneys shall be used to fund the program.~~

9 (i) ~~This article shall remain in effect only until January 1, 2015,~~  
10 ~~and as of that date is repealed, unless a later enacted statute, that~~  
11 ~~is enacted before January 1, 2015, deletes or extends that date.~~

12 SEC. 2. *Article 3 (commencing with Section 104660) is added*  
13 *to Chapter 2 of Part 3 of Division 103 of the Health and Safety*  
14 *Code, to read:*

15  
16 *Article 3. California Healthy Food Financing Initiative*  
17

18 *104660. This article shall be known, and may be cited, as the*  
19 *California Healthy Food Financing Initiative.*

20 *104661. (a) By July 1, 2011, the Department of Food and*  
21 *Agriculture, in consultation with the State Department of Public*  
22 *Health and the State Department of Social Services, shall prepare*  
23 *recommendations, to be presented upon request of the Legislature,*  
24 *regarding actions that need to be taken to promote food access in*  
25 *the state.*

26 *(b) The Secretary of Food and Agriculture may establish an*  
27 *advisory group to assist the agencies in complying with the*  
28 *requirements of subdivision (a). If established, the advisory group*  
29 *shall consist of representatives from the Legislature, food policy*  
30 *advocates, financial institutions, food systems researchers,*  
31 *representatives from the agricultural industry, and nonprofit*  
32 *organizations with expertise in this area.*

33 *104662. The Department of Food and Agriculture, in*  
34 *consultation with the State Department of Public Health, the State*  
35 *Department of Social Services, and the Treasurer shall implement*  
36 *the California Healthy Food Financing Initiative, including, but*  
37 *not limited to, coordinating efforts to maximize the funding*  
38 *opportunities provided by the federal 2010 Healthy Food Financing*  
39 *Initiative. This national initiative is intended to expand access to*

1 *nutritious foods in underserved urban and rural communities and*  
2 *eliminate food deserts across the country within seven years.*

3 *104663. (a) There is hereby established in the State Treasury*  
4 *the California Healthy Food Financing Initiative Fund, which*  
5 *shall be comprised of federal, state, and private funds for the*  
6 *purpose of expanding access to healthy foods in underserved*  
7 *communities.*

8 *(b) Moneys in the fund shall be expended upon appropriation*  
9 *by the Legislature, and shall be used, to the extent practicable, to*  
10 *leverage other funding, including, but not limited to, new markets*  
11 *tax credits, federal and foundation grant programs, incentives*  
12 *available to designated enterprise zones, and funding from private*  
13 *sector financial institutions pursuant to the federal Community*  
14 *Reinvestment Act.*